

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 725 – SB 807**

March 22, 2017

**SUMMARY OF ORIGINAL BILL:** Reduces the drug-free zone from 1,000 to 500 feet from a school, child care agency, public library, or park.

**FISCAL IMPACT OF ORIGINAL BILL:**

Decrease State Expenditures – \$3,057,400/Incarceration\*

**SUMMARY OF AMENDMENT (005692):** Deletes and rewrites the proposed legislation to reduce the drug-free zone from 1,000 to 500 feet, but only in Davidson, Hamilton, Knox, and Shelby Counties.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Decrease State Expenditures – \$909,700/Incarceration\***

Assumptions for the bill as amended:

- Tennessee Code Annotated § 39-17-432 enhances drug offenses under Tenn. Code Ann. § 39-17-417 by one classification if committed within 1,000 feet of a school, child care agency, public library, or park, also known as a “drug-free zone”.
- Statistics from the Department of Correction (DOC), indicate that the following annual admissions relate to drug offenses committed within a drug-free school zone:
  - Class A felony – 11;
  - Class B felony – 24.2;
  - Class C felony – 15.5; and
  - Class D felony – 0.8.
- The proposed legislation limits application to Hamilton County (336,400 population), Knox County (432,200 population), Davidson County (over 500,000 population), and Shelby County (over 900,000 population). Tennessee’s total population was 6,346,100 in the 2010 census. Approximately 34.2 percent  $[(336,400 + 432,200 + 500,000 + 900,000) / 6,346,100]$  of Tennessee’s population live in Hamilton County, Knox County, Davidson County, and Shelby County.
- It is assumed that approximately 34.2 percent of the drug offenses committed in drug-free school zones are committed in Hamilton County, Knox County, Davidson County,

and Shelby County. Further, it is assumed that one-half of these offenses are committed beyond 500 feet from a school.

- The proposed legislation will result in the following admissions being prosecuted one classification lower than they would be under current law:
  - Class A felony – 1.9  $[(11 \times .342) \times 0.5]$ ;
  - Class B felony – 4.1  $[24.2 \times .342) \times 0.5]$ ;
  - Class C felony – 2.7  $[15.5 \times .342) \times 0.5]$ ; and
  - Class D felony – 0.1  $[0.8 \times .342) \times 0.5]$ .
- It is assumed that the proposed legislation will result in two class A felonies being punished as class B felonies, four class B felonies being punished as class C felonies, three class C felonies being punished as class D felonies, and one class D felony every four years being punished as a class E felony.
- The average time served by felony class is:
  - Class A – 16.79 years;
  - Class B – 6.32 years;
  - Class C – 3.51 years;
  - Class D – 2.23 years; and
  - Class E – 1.4 years.
- According to the DOC, the average operating cost per offender per day for calendar year 2017 is \$68.75.
- According to the U.S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. Population growth will not affect the fiscal impact of this legislation.
- A recidivism discount does not apply to this legislation because it is reducing time served.
- The proposed legislation will result in two offenders each year serving 10.47 fewer years  $(16.79 - 6.32)$ , or 3,824.17 fewer days, than under current law.
- The proposed legislation will decrease state incarceration costs by an estimated \$525,823  $(3,824.17 \text{ days} \times \$68.75 \times 2 \text{ offenders})$  for the seven class B felonies.
- The proposed legislation will result in four offenders each year serving 2.81 fewer years  $(6.32 - 3.51)$ , or 1,026.35 fewer days, than under current law.
- The proposed legislation will decrease state incarceration costs by an estimated \$282,246  $(1,026.35 \text{ days} \times \$68.75 \times 4 \text{ offenders})$  for the 13 class C felonies.
- The proposed legislation will result in three offenders each year serving 1.28 fewer years  $(3.51 - 2.23)$ , or 467.52 fewer days, than under current law.
- The proposed legislation will decrease state incarceration costs by an estimated \$96,426  $(467.52 \text{ days} \times \$68.75 \times 3 \text{ offenders})$  for the nine class D felonies.
- The proposed legislation will result in one offender every four years serving 0.83 fewer years  $(2.23 - 1.4)$ , or 303.16 fewer days, than under current law.
- The proposed legislation will decrease state incarceration costs by an estimated \$5,211  $[(303.16 \text{ days} \times \$68.75) / 4]$  for the one class E felony every four years.
- The total decrease in state incarceration costs as a result of the proposed legislation is estimated to be \$909,706  $(\$525,823 + \$282,246 + \$96,426 + \$5,211)$ .

- The proposed legislation will not affect the caseloads of the courts, district attorneys, or public defenders. It is assumed that they can handle any impact from the proposed legislation within their existing resources.

*\*Tennessee Code Annotated § 9-4-210 requires an appropriation from recurring revenues for the estimated operation cost of any law enacted after July 1, 1986 that results in a net increase in periods of imprisonment in state facilities. The amount appropriated shall be based upon the highest cost of the next 10 years.*

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/trm